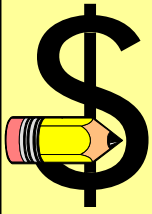


October 2007



SCHOOL FINANCE UPDATE

A Monthly Newsletter Published by the School Finance Division

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This newsletter is emailed to school districts, county superintendents, county treasurers, and auditors each month. The newsletter is intended to reach all district staff involved in budgeting, accounting, enrollment, special education funding, and federal programs. Please forward this newsletter to all interested parties. Got suggestions for items to include here? We'd love to hear from you!

MAEFAIRS is available for Fall Enrollment Reporting.

**MAEFAIRS Open
for October 1, 2007
Enrollment Count**

To access MAEFAIRS, do the following:

1. Open Internet Explorer
2. Go to the OPI website at www.opi.mt.gov
3. Single left click on the IRIS tab
4. Login to Citrix using your Citrix username and password
5. Single left click on MAEFAIRS
6. When prompted, enter your MAEFAIRS password.

A memo containing information regarding enrollment reporting is posted on the OPI website at the following link:

<http://www.opi.mt.gov/pdf/schoolfinance/forms/anbmemo.pdf>

Enrollment reporting instructions, which include full and part time kindergarten reporting guidelines are posted on the OPI website at the following link:

<http://www.opi.mt.gov/pdf/SchoolFinance/forms/EnrollHelp.pdf>

Count day is October 1, 2007. If October 1 is not a school day for your district, use the next school day for your enrollment counts. Enrollment reports must be submitted no later than October 23, 2007. Send a copy of the submitted report to your County Superintendent.

AIM AND MAEFAIRS

For more than a decade, school districts have used the MAEFAIRS reporting system to report enrollment counts for the first Monday in October and February 1. In the 2007-2008 school year, OPI will run MAEFAIRS and AIM in parallel. Schools are asked to report enrollment in both systems. MAEFAIRS will collect the minimum enrollment information necessary to determine a school district's Average Number Belonging (ANB). AIM will be used to collect student enrollment, attendance on official count dates, aggregate hours, and student demographic information. Given that more than \$600 million in state monies are distributed annually based upon ANB counts, OPI believes that it is a "best practice" to use both systems for one more year before fully transitioning to the AIM system for enrollment reporting used in state ANB funding.

For more information, contact [Nica Carte](#), (406) 444-4401.

**Reporting
Kindergarten
Students in
MAEFAIRS**

In order for kindergarten students to be counted as full time enrolled, the district must have applied for additional ANB for full time kindergarten (FTK) using the PAA-3 form. Following is information regarding reporting kindergarten students:

Kindergarten-Half Time Program (provides 360 minimum aggregate hours of pupil instruction)

If the pupil's current "half-time kindergarten" instructional program provides:

- less than 180 aggregate hours of instruction time per year, report the pupil to OPI two ways: (1) as enrolled in the kindergarten half time program, and (2) as part-time, <180 hours. Enrollment in a program intended to provide less than 180 aggregate hours of pupil instruction per school year may not be included for purposes of ANB.
- at least 180 aggregate hours but less than 360 aggregate hours, report the pupil to OPI two ways: (1) as enrolled in the half time kindergarten line for the student, and (2) as part-time, 180-359 hours. The student is counted as one-quarter time enrolled for purposes of ANB.
- >or= to 360 hours of aggregate hours of instruction time per year, report the pupil to OPI as enrolled in the kindergarten half day program only, with no part time reporting.

Kindergarten Full Time program (provides 720 minimum aggregate hours of pupil instruction)

If the pupil's current "full-time kindergarten" instructional program provides:

- Less than 180 aggregate hours of instruction time per year, report the pupil to OPI two ways: (1) as enrolled in the full time kindergarten line, and (2) as part-time, <180 hours. Enrollment in a program intended to provide less than 180 aggregate hours of pupil instruction per school year may not be included for purposes of ANB.
- At least 180 aggregate hours but less than 360 aggregate hours, report the pupil to OPI two ways: (1) as enrolled in the full time kindergarten line for the student, and (2) as part-time, 180-359 hours. The student is counted as one-quarter time enrolled for purposes of ANB.
- At least 360 aggregate hours but less than 540 aggregate hours, report the pupil to OPI two ways: (1) as enrolled in the full time kindergarten line for the student, and (2) as part-time, 360-539 hours. The student is counted as one-half time enrolled for purposes of ANB.
- At least 540 aggregate hours but less than 720 aggregate hours, report the pupil to OPI two ways: (1) as enrolled in the full time kindergarten line for the student, and (2) as part-time, 540-719 hours. The student is counted as three-quarter time enrolled for purposes of ANB.
- 720 aggregate hours or more, only report the pupil as enrolled in the full time kindergarten, with no part-time reporting. The student is counted as one full-time enrolled for purposes of ANB.

For more information, contact [Nica Carte](#), (406) 444-4401

**Budget
Amendments for
Unanticipated
Enrollment
Increases**

Additional state funding is generally available for an enrollment increase that exceeds 6% of the last year's average enrollment. If the October 1, 2007 enrollment count exceeds the enrollment for last year, trustees might want to consider adoption of a budget amendment for an unusual enrollment increase. OPI offers a budget amendment packet to help you with the process:

<http://www.opi.state.mt.us/PUB/pdf/schoolfinance/forms/2006BAPacket.pdf>

For more information, contact [Nica Carte](#), (406) 444-4401

MASBO New Clerk's Workshop

MASBO will be holding another New Clerk's Workshop in Billings at the Holiday Inn Grand Montana on November 7-9, 2007. More information and a brochure is available at the following link:

<http://fs3.formsite.com/masbo/form726252819/index.html>

For more information, contact [Lynda Brannon, MASBO Executive Director](#), (406) 442-5599

Approved Bus Routes

Please remind bus drivers – Buses must be driven on routes as approved by the county transportation committee. Routes must not be altered without the county transportation committee's approval. Running alternative routes without approval may result in state and county overpayments that are subject to refund. Altering routes might also expose the district to unnecessary liability risks.

OPI Contact: Maxine Mougeot at (406) 444-3096 or mmougeot@mt.gov

E-Grants Payment System is Now Available

The E-Grants Payment system is now available for districts to request cash for any of your "Final Approved" 2008 applications. The OPI will process all requests received anytime during the months of September and October to ensure that districts receive the necessary funds to cover grant expenses through October. We will plan to make payments September 28th, October 10th and October 17th for requests received during this time.

Beginning October 25th cash requests must be submitted by the 25th of the month preceding the month a cash request is needed. The amount requested for a particular month is normally sent on the 10th day of the month (e.g., the amount of cash requested for November will be sent on November 10th).

The following grants are available to request funds in E-Grants during the 2007-2008 school year:

NCLB Consolidated Programs:

Title I-A Basic

Title I-A School wide Title V-A Innovative Programs

Title II-A Improving Teacher Quality Title VI-B-1 Rural Low Income

Title II-D Ed Tech Title VI-A-2 Transferability

Title III-A English Language Acquisition Title VI-B-1 REAP-Flex

Title IV-A Safe and Drug Free Schools

Title I-A Improvement IDEA Part B and Preschool

Title I-C Migrant

Carl Perkins

Title IV-B 21st Century Learning

Please refer to the E-Grant Cash Request/Expenditure Report User Guide at the following link under Training and Instructions: <http://opi.mt.gov/ITProjects/E-Grants.html>. The guide provides helpful information for navigating in the system and completing a Cash Request/Expenditure Report. You can also click on the "Instruction" links found on each payment page in E-Grants if you have questions about its content or how to complete the page.

A budget threshold of 50% has been established by expenditure object code. This means a district can request cash and expend up to 50% over a budgeted amount by object code without creating an amendment to a project's budget. However, a district's total request cannot exceed the total available for budgeting by project.

There is only one Expenditure Report required for each program. A Final Expenditure Report is due at the end of the project period or when the district has expended all project funds, whichever comes first.

For those grants not applied for through the E-Grants system, you will continue to use the Cash Advance Request for State and Federal Grant Programs form. These are due by the 25th of the month preceding the first month a cash advance is needed. These payments will be made on the 15th of each month. You can find the Cash Request form at the following link:

<http://www.opi.mt.gov/FederalPrograms/handbook.html>

If you have still have questions after reading through the user guide or instruction link, click on the "Contact Us" link at the bottom of any E-Grants web page to find the name, phone number, and e-mail address for an OPI program accountant.

If you haven't already done so, please contact your auditor soon to arrange an audit of FY2006-07. School districts that spent more than \$500,000 of Federal assistance last year, including USDA commodities, must submit an "A-133" (aka "Federal") audit report for FY2006-07 to OPI by March 31, 2008.

Districts that spent less than \$500,000 of Federal assistance must have a "regular" audit and submit a report to OPI within one year of the close of the fiscal year (i.e., FY2006-07 audits are due to OPI by June 30, 2008). Very small districts with less than \$200,000 of total revenues in all funds combined must have an audit "review" every four years upon OPI request. **OPI Contact: Rebecca Phillips at (406) 444-0783 or rphillips2@mt.gov**

House Bill 487 increased the threshold for local governments, including school districts, to be audited. Districts with more than \$500,000 total revenue in all funds combined must have a "regular" audit. The bill also ties the threshold for an audit to the level set by the federal Office of Management and Budget (OMB) for A-133 audits. The A-133 audit is required if a district spent more than \$500,000 of Federal Assistance, including USDA commodities, for the fiscal year. School districts that do not meet the \$500,000 total revenues threshold must have an audit review every four years as directed by the OPI. **OPI Contact: Rebecca Phillips at (406) 444-0783 or rphillips2@mt.gov**

OPI encourages school districts and cooperatives to submit material changes to the FY2006-07 Trustees Financial Summary (TFS) no later than December 10, 2007. A.R.M. 10.10.504(6) limits revisions to: a) coding revisions between revenue and expenditure line items providing no change occurs in the fund balance of the budgeted funds; and b) revisions in the balance sheet accounts provided no change occurs in the fund balance of the budgeted funds.

Revisions to the FY2006-07 TFS should be submitted to Rebecca Phillips in the School Finance Division by following these procedures:

1. Photocopy the original TFS with amounts to be revised crossed out and the correct amount written above it.
2. When sending balance sheet account revisions, please also send any expenditure and revenue line item changes that correlate with such changes. That is, the fund balance on the balance sheet should equal the ending fund balance shown on the statement of revenues, expenditures and changes in fund balance report after the revisions are made.

TFS revisions may be faxed to (406) 444-0509 or mailed to Rebecca Phillips, P.O. Box 202501, Helena, MT 59620-2501. Please submit revisions by December 10 so that questions or problems related to processing the changes can be addressed before school districts are closed for the holiday break. In compliance with A.R.M. 10.10.504(5), OPI

Contract Soon for FY2006-07 Audits

New Threshold for FY2007-08 Audits

Deadline for Changes to FY2007 Trustees Financial Summary

cannot consider revisions to the FY2006-07 TFS received after December 20, 2007 when calculating amounts used for special education reversion or for federal maintenance of effort requirements.

Note that immaterial line item coding changes or changes that affect fund balance in the budgeted funds for FY2006-07 must be reported as prior period adjustments in the TFS for the current year (FY2008). The district may need to adopt a budget amendment in the current year to record the prior period adjustment within the budget of a fund.

For more information, contact Rebecca Phillips, (406) 444-0783

2007 School Law Books

The 2007 School Law books are here! If you have not ordered your books, you can access the order form at <http://www.opi.mt.gov/pdf/legaldivision/schoollaworderform.pdf>

All preorders were shipped in early October. If you sent your order before 9/20/07 and your books do not arrive by October 15th, please call Nancy Toole at 444-3148 to check on your order.

Useful Links

State Entitlement Payments to Schools:

<http://www.opi.mt.gov/PUB/School%20Finance/Payments/>

Preliminary Budget Data Sheets:

<http://opi.mt.gov/Pub/School%20Finance/PreliminaryBudgetDataSheets/>

School Accounting: <http://www.opi.mt.gov/SchoolFinance/Acct2.html>

Forms and Publications: <http://www.opi.mt.gov/SchoolFinance/Forms2.html>

Pupil Transportation: <http://www.opi.mt.gov/PupilTransport/index.html>

Enrollment and ANB: <http://www.opi.mt.gov/SchoolFinance/Enrollment2.html>

Tuition: <http://www.opi.mt.gov/SchoolFinance/Tuition2.html>

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